



How to Effectively Appeal Your Property Tax Assessment

from State Senator
Bruce Patterson

Dear Property Owner:

A few reminders may be helpful regarding your this year's assessment notice. The term "taxable value" was introduced in 1995. It is the figure millage is levied against to calculate your property taxes, and it is capped at the rate of inflation or 5 percent, whichever is less. The State Equalized Valuation (SEV) must still reflect 50 percent of the property's true cash value and may increase by more than the rate of inflation or 5 percent in any particular tax year. It is important to remember that your property taxes are no longer based on the SEV value.

If, despite this information, you believe your assessment is in error, you may appeal to your local Board of Review and, if necessary, the Michigan Tax Tribunal. I have included the names and telephone numbers of our Senate district's assessors for your convenience in contacting them to arrange an appointment with the Board of Review.

The appeals process costs you nothing but time, and no attorney is necessary. The attached step-by-step guide, along with your willingness to explore all the possibilities, may help you obtain a favorable adjustment.

I appreciate your support as I continue to strive for even more tax relief on your behalf. Please contact my office if you need further assistance.

Sincerely,

Bruce Patterson
State Senator
7th District
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How to Effectively Appeal Your Property Tax Assessment

STEP 1 You may appeal either your taxable value, or SEV, or both, to the March Board of Review in 2008. Go to your local assessor's office and obtain a copy of your worksheet or appraisal card for your property. This should list the size of your house, the type of construction, special features, etc. The worksheet contains other information such as style (ranch, colonial, contemporary, etc.) of your home, utilities, construction date, number of baths, fireplaces, and kitchen range hoods. Ask the assessing department to explain the document until you completely understand the abbreviations and numbers. You can also obtain worksheets of similar properties which recently sold in the area which the assessor is using to determine the value of your property.

STEP 2 Carefully check the worksheet for errors. The assessor may agree to change some of the information or figures at that time, or you may have to make your case with the local Board of Review. There should be a "percent good" calculation on your worksheet which shows you how much your house has depreciated. Usually the Michigan Assessor's Manual requires that every property have a "percent good" calculation. If your house is ten years old, it will be about 90% good. Percent good is another factor to use when comparing your home with other homes. (See Step 4.)

STEP 3 If your tentative taxable value increased by more than 2.3% above your 2007 taxable value and you did not improve your home with additions, then your taxable value may exceed the statutorily mandated assessment cap. Call your assessor immediately and inquire as to why your taxable value increased by more than the rate of inflation.

Remember, taxable value is capped at the rate of inflation or 5%, whichever is less, until the property transfers or additions are added to your home. SEV is not capped but must reflect 50% of your property's true cash value. Either taxable value or SEV, or both, may be appealed to the Board of Review.

Make sure that a Principal Residence affidavit has been filed for your principal residence. If you filed a Principal Residence affidavit, you do not need to file a new affidavit this year unless you moved or you are no longer using the property as your principal residence. Call your assessor if you have specific questions.

STEP 4 As noted in Step 2, the "percent good" is the way an assessor depreciates the value of a home based on its age. For this reason, normal issues common to all homes of that age are not considered in the specifics on the assessment. However, many homes have problems that are not associated with general aging. Examples might be cracked foundations, wall construction problems, or poor masonry work. The impact of these problems on the value of the home should be specifically addressed.

Therefore it is necessary to perform a complete inside inspection of your home. Written repair estimates and photographs of structural damage are very good evidence of defects which could affect property value.

STEP 5 Realtors say that location is the single most important feature which determines the value of your home. If you live near a major road, landfill, business, or industry, your home may be less desirable than the same home located in a purely residential neighborhood. You may live in a mixed zoning area which includes commercial, industrial, and residential property. You may have a well, septic system, or dirt road. Obtain copies of citizen complaints about area drug houses, rowdy party homes, and neighborhood eyesores. Tape record factory, truck, or party noise.

If these characteristics have changed, they may contribute to a deteriorating value of your home and you should be able to show this to the Board.

STEP 6 If you do not have the time or patience to collect comparables, local realtors may help you determine the value of your property. Or, you may wish to have your



home professionally appraised. A professional appraisal is the best evidence against an improper assessment and the best proof of value. It may cost you as much as you would save from lower property taxes, however.

STEP 7 One of the most common mistakes home buyers can make is that they fail to inform the assessor of personal property and other valuable items which were included in the sale. Personal property items often included in a home's sale price such as furniture, curtains, washer, dryer, etc. are exempt from assessment. If you do not inform your assessor in writing about these items, your assessment may erroneously include this value.

STEP 8 Comparable property assessments are one of the most important tools for a property tax assessment appeal. If comparable properties are assessed lower than yours, you may argue that your property is overassessed. Make your comparable study by asking for the worksheets of similar homes which have recently sold in your area. Check the assessed value, the state equalized value, taxable value, type of house, and zoning.

STEP 9 The last step in the process is to put all your information into letter form. An example is on this page.

STEP 10 If you are not satisfied with the decision of your local Board of Review, you may want to continue your appeal. In order to do this, you must send a letter to the Michigan Tax Tribunal, P.O. Box 30232, Lansing, MI 48909 before June 30 and ask them to mail you the necessary forms for appeal. **You must appeal to the local Board of Review before you can appeal to the Michigan Tax Tribunal.**

STRATEGY

Bring a presentation copy for yourself and each of the Board of Review members. Read your presentation to the Board. You may have about five minutes, so make your points, show photographs, and stay professional.



SAMPLE APPEAL LETTER

Date

Name, Address, Telephone

To the Board of Review/Tax Tribunal:

I wish to appeal my property tax assessment for the following reasons:

1. According to my Worksheet/Property Record, I have noted the following discrepancies:

A. I do not have a fireplace as indicated.

Estimated value\$1,800

B. I do not have a tile bath as indicated.

Estimated value\$1,200

C. According to my worksheet, I have 1,500 square feet of living space. I have 1,000 square feet.

Reduced value.....\$6,920

This amount should be deducted from true cash value\$9,920

2. I have noted the following structural defects on my property. They reduce the value of the property by the following amounts:

A. Cracked foundation\$3,800

B. Cracked exterior wall\$2,200

This amount should be deducted from true cash value\$6,000

3. I live in an area that has mixed zoning and next door there is a new junkyard which emits loud noises and noxious odors. This affects the value of my property. I feel my true cash value has been reduced by \$3,000

3a. Grand Total, add #1, 2, and 3 above\$18,920

4. I wish to make the following comparables:

231 Main Street, assessed value _____
(List all comparables and ask for an average reduction. Note: add all items you noted as discrepancies, comparable amounts, etc.)

Example:

True cash value\$60,000

Minus Discrepancy/Grand Total\$18,920

New True Cash Value.....\$41,080

One half = Assessed value (SEV)\$20,540

NOTE: This sample letter indicates many of the grounds for a reduced assessment. It is very unlikely that an assessment could be reduced by nearly one-third, as illustrated here, but every reduction is important.

Seventh Senate District

2008 Assessors' Contact Information

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